

施羅德投資管理（香港）有限公司
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IMPORTANT: This letter is important and requires your attention. If you have any questions about the content of this letter, you should seek independent professional advice. Schroder Investment Management (Hong Kong) Limited being the manager of the following fund accepts full responsibility for the accuracy of the information contained in this letter and confirms, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement misleading.

*Unless otherwise stated herein, capitalised terms in this notice shall have the same meaning(s) as defined in the explanatory memorandum of the Fund dated November 2018, as amended (“**Explanatory Memorandum**”).*

30 December 2019

Dear Unitholder

Schroder Hong Kong Money Market Fund and Schroder U.S. Dollar Money Fund (each a “**Fund**” and together the “**Funds**”)

- (I) Amendments to Reflect Requirements under the revised Code on Unit Trusts and Mutual Funds (“**Code**”)
- (II) Other updates to the Explanatory Memorandum

We are writing to inform you of certain changes to the Funds. References to “Fund” hereafter shall mean each of Schroder Hong Kong Money Market Fund and Schroder U.S. Dollar Money Fund.

A. Background

The Fund is subject to the Code issued by the Securities and Futures Commission in Hong Kong (“**SFC**”). The Code has been revised. The Trust Deed will be amended by way of a supplemental deed (“**Supplemental Deed**”) and the Explanatory Memorandum will be amended by way of a revised Explanatory Memorandum (“**Revised Explanatory Memorandum**”) to reflect the requirements under the revised Code.

B. Changes pursuant to the revised Code

The following key changes will be made to the Trust Deed and/or the Explanatory Memorandum (where applicable) of the Fund to reflect the requirements under the revised Code:

1. Investment policy of the Fund – the investment policy of the Fund has been amended to reflect the requirements applicable to a money market fund under Chapter 7 and Chapter 8.2 of the revised Code.

2. Trustee and Manager – additional obligations of the Trustee and the Manager under Chapters 4 and 5 respectively of the revised Code.
3. Investment Restrictions: Core Requirements – amendments to the core requirements of the investment limitations and prohibitions under Chapter 7 and Chapter 8.2 of the revised Code, including but not limited to amendments in relation to the following: asset classes, portfolio maturity, limitations on borrowing, spread of investments, financial derivative instruments etc.

A summary of the key revised investment restrictions/requirements pursuant to the revised Code are set out in Annexure A enclosed with this Notice.

4. Other Amendments – other amendments and enhancement of disclosures to reflect the requirements of the revised Code including the following:
 - (a) amendments to reflect the requirements under the revised Code on transactions with connected persons and soft dollars arrangements;
 - (b) amendment relating to the suspension of dealings; and
 - (c) enhanced disclosures on arrangements in handling unclaimed proceeds of Unitholders where the Fund is terminated.

Please refer to the Revised Explanatory Memorandum and the Supplemental Deed relating to the Fund for further details.

C. Other updates to the Explanatory Memorandum of the Fund

Other ancillary updates are made to the Explanatory Memorandum of the Fund, such as the worldwide assets of the Schroder Group, the Directors of the Manager, the change of the Service Provider, US-law related disclosures and disclosures relating to the Automatic Exchange of Financial Account Information.

D. Implication of Changes

Save as disclosed in this Notice, the changes described above (“**Changes**”) will not result in any material change to the investment objective and risk profile of the Fund. There will be no increase in the fees payable out of the assets of the Fund as a result of the Changes. The Changes will also not result in a change in the manner in which the Fund currently operates or is being managed save as disclosed in this Notice.

E. Availability of Documents

Copies of the Trust Deed together with all supplemental deeds (including the Supplemental Deed) relating to the Fund may be inspected during normal working hours at the offices of the Manager and the Trustee free of charge.

F. Enquiry

If you would like more information, please contact your usual professional advisor or Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,
For and on behalf of
Schroder Investment Management (Hong Kong) Limited

A handwritten signature in black ink, appearing to read 'Amy Cho', with a long horizontal flourish extending to the right.

Amy Cho
Chief Executive Officer, Hong Kong

ANNEXURE A

SUMMARY OF KEY REVISED INVESTMENT RESTRICTIONS

The key investment restrictions of the Fund are as follows:

- (a) subject to the provisions set out below, the Fund may only invest in short-term and high quality money market instruments (i.e. securities normally dealt in on the money markets including government bills, certificates of deposit, commercial papers, short-term notes, bankers' acceptances, asset-backed securities such as asset-backed commercial papers), and money market funds that are authorised by the SFC under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC;
- (b) the Fund shall maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days (or two years in the case of Government and other public securities). For the purposes herein;
 - (i) **"weighted average maturity"** is a measure of the average length of time to maturity of all the underlying securities in the Fund weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of the Fund to changing money market interest rates; and
 - (ii) **"weighted average life"** is the weighted average of the remaining life of each security held in the Fund; and is used to measure the credit risk, as well as the liquidity risk,

provided that the use of interest rate resets in variable-notes or variable-rate notes generally should not be permitted to shorten the maturity of a security for the purpose of calculating weighted average life, but may be permitted for the purpose of calculating weighted average maturity;

- (c) the aggregate value of the Fund's holding of instruments issued by a single entity, together with any deposits held with that same issuer may not exceed 10% of the latest available net asset value of the Fund except:
 - (i) the value of the Fund's holding of instruments and deposits issued by a single entity may be increased to 25% of the latest available net asset value of the Fund if the entity is a substantial financial institution, provided that the total value of such holding does not exceed 10% of the entity's share capital and non-distributable capital reserves;
 - (ii) up to 30% of the Fund's latest available net asset value may be invested in Government and other public securities of the same issue; or
 - (iii) in respect of any deposit of less than US\$1,000,000 or its equivalent in the base currency of the Fund where the Fund cannot otherwise diversify as a result of its size;
- (d) the aggregate value of the Fund's investments in entities within the same group through instruments and deposits may not exceed 20% of its latest available net asset value provided that:
 - (i) the aforesaid limit will not apply in respect of cash deposit of less than US\$ 1,000,000 or its equivalent in the base currency of the Fund, where it cannot otherwise diversify as a result of its size; and

- (ii) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%;
- (e) the value of the Fund's holding of money market funds that are authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC may not in aggregate exceed 10% of its latest available net asset value;
- (f) the value of the Fund's holding of investments in the form of asset-backed securities may not exceed 15% of its latest available net asset value;
- (g) the currency risk of the Fund shall be appropriately managed and any material currency risk that arises from investments of the Fund that are not denominated in its base currency shall be appropriately hedged; and
- (h) the Fund must hold at least 7.5% of its latest available net asset value in daily liquid assets and at least 15% of its latest available net asset value in weekly liquid assets. For the purposes herein:
 - (i) daily liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one business day; and (iii) amount receivable and due unconditionally within one business day on pending sales of portfolio securities; and
 - (ii) weekly liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five business days; and (iii) amount receivable and due unconditionally within five business days on pending sales of portfolio securities.
- (i) the maximum borrowing of the Fund may not exceed 10% of its latest available net asset value.
- (j) the Fund may acquire financial derivative instruments for hedging purposes.
- (k) the Fund may also acquire financial derivative instruments for non-hedging purposes in accordance with its investment objective and policy subject to the limit that the Fund's net exposure relating to these financial derivative instruments ("**net derivative exposure**") does not exceed 50% of its latest available net asset value, provided that such limit may be exceeded in such circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time.

Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time. In calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the portfolio level of the Fund are converted into their equivalent positions in their underlying assets. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes will not be counted towards the 50% limit so long as there is no residual derivative exposure arising from such hedging arrangement.

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重要提示：此乃重要函件，務須閣下垂閱。閣下如對本函件之內容有任何疑問，應尋求獨立專業意見。以下基金的經理人 - 施羅德投資管理（香港）有限公司就本函件所載資料之準確性承擔全部責任，並在作出一切合理查詢後確認，盡其所知所信，本函件並無遺漏足以令本函件的任何陳述具誤導成分的其他事實。

除非本文另有指明，否則本通知書中所用的特定詞彙與基金日期為2018年11月的說明書（經修訂）（「**說明書**」）所界定者具相同涵義。

親愛的單位持有人：

施羅德金融市場基金及施羅德美元金融基金（各稱「**基金**」及統稱「**各基金**」）

- (I) 反映經修訂《單位信託及互惠基金守則》（「**該守則**」）下的規定之修訂
- (II) 說明書的其他更新

我們茲致函通知閣下有關各基金的若干變更。下文對「**基金**」的提述分別指施羅德金融市場基金及施羅德美元金融基金。

A. 背景

基金須遵守香港證券及期貨事務監察委員會（「**證監會**」）所發出的該守則。該守則經已修訂。信託契約將以補充契約（「**補充契約**」）的方式作出修訂，而說明書將以經修訂說明書（「**經修訂說明書**」）的方式作出修訂，以反映經修訂守則下的規定。

B. 根據經修訂守則作出的變更

基金的信託契約及／或說明書（按適當情況而定）將作出以下主要變更，以反映經修訂守則下的規定：

1. 基金的投資政策 – 基金的投資政策已作出修訂，以反映經修訂守則第 7 章及第 8.2 章下適用於貨幣市場基金的規定。
2. 信託人及經理人 – 分別在經修訂守則第 4 章及第 5 章下有關信託人及經理人的額外責任。
3. 投資限制：核心規定 – 就經修訂守則第 7 章及第 8.2 章下有關投資限制的核心規定及禁制作出的修訂，包括但不限於有關以下各項的修訂：資產類別、投資組合屆滿期、借款限制、投資分佈、金融衍生工具等。

根據經修訂守則作出的主要經修訂投資限制／規定摘要載於本通知書附件A。

4. 其他修訂 – 為反映經修訂守則的規定的其他修訂及加強披露，包括以下各項：

- (a) 為反映經修訂守則中有關與關連人士進行交易及非金錢利益安排的規定之修訂；
- (b) 有關暫停買賣的修訂；及
- (c) 加強於基金終止時處理單位持有人的未領取所得款項的安排的披露。

請參閱有關基金的經修訂說明書及補充契約，以了解進一步詳情。

C. 基金說明書的其他更新

基金說明書作出其他附帶更新，例如：施羅德集團於世界各地的資產、經理人的董事、服務提供機構的更改、美國法律相關的披露及有關自動交換財務賬戶資料的披露。

D. 變更的影響

除本通知書所披露者外，上述變更（「變更」）將不會導致基金的投資目標及風險概況有任何重大變動。自基金資產支付的應付費用將不會因變更而增加。除本通知書所披露者外，變更亦將不會導致基金目前的經營或管理方式有任何變更。

E. 可供索取文件

有關基金的信託契約連同所有補充契約（包括補充契約）之副本可於正常辦公時間在經理人及信託人的辦事處免費查閱。

F. 查詢

如閣下需要更多資料，請聯絡閣下的慣常專業顧問或致電施羅德投資熱線電話：（+852）2869 6968 查詢。

施羅德投資管理（香港）有限公司



曹綺琪
香港區行政總裁

謹啟
2019 年 12 月 30 日

附件 A

主要經修訂投資限制之摘要

基金的主要投資限制如下：

- (a) 除下文所載的條文另有規定外，基金僅可投資於短期及優質貨幣市場工具（即通常在貨幣市場上交易的證券，包括政府票據、存款證、商業票據、短期票據、銀行承兌匯票、資產抵押證券（如資產抵押商業票據））及根據該守則第8.2條獲證監會認可的或以與證監會的規定大致相若的方式受到監管而且獲證監會接納的貨幣市場基金；
- (b) 基金的投資組合的加權平均屆滿期不可超逾60天，及其加權平均有效期不可超逾120天。貨幣市場基金亦不可購入超逾397天才到期的金融工具（或如果購入政府證券及其他公共證券，則其餘下屆滿期不可超逾兩年）。就本段而言：
 - (i) 「加權平均屆滿期」是基金所有相關證券距離屆滿期的平均時限（經加權處理以反映每項工具的相對持有量）的計量方法，並用以計量基金對貨幣市場利率改變的敏感度；及
 - (ii) 「加權平均有效期」是基金所持有的每項證券的加權平均剩餘有效期，並用以計量信貸風險及流通性風險，

但為了計算加權平均有效期，在一般情況下，不應允許因重設浮動票據或浮息票據的利率而縮短證券的屆滿期，但若是為了計算加權平均屆滿期則可允許這樣做；

- (c) 基金持有由單一實體所發行的金融工具連同在同一發行人存放的任何存款的總值，不可超逾基金的最近期可得資產淨值的10%，但以下情況除外：
 - (i) 如果實體是具規模的財務機構，則基金持有由單一實體所發行的金融工具及存款的價值可增至基金最近期可得資產淨值的25%，惟該持倉總值不得超逾該實體的股本及非分派資本儲備的10%；或
 - (ii) 基金最近期可得資產淨值的最多30%可投資於同一發行類別的政府證券及其他公共證券；或
 - (iii) 因基金規模所限而無法以其他形式分散投資的任何少於1,000,000美元的存款或按基金的基本貨幣計算的等值存款；
- (d) 基金透過金融工具及存款投資於同一個集團內的實體的總值，不可超逾其最近期可得資產淨值的20%，惟：
 - (i) 前述的限額不適用於因規模所限而無法以其他形式分散投資的任何少於1,000,000美元的現金存款或按基金的基本貨幣計算的等值現金存款；及
 - (ii) 如果實體是具規模的財務機構，而有關總額不超逾該實體的股本及非分派資本儲備的10%，則有關限額可增至25%；
- (e) 基金所持有屬該守則第8.2章所指獲認可或以與證監會的規定大致相若的方式受到監管而且獲證監會接納的基金的總值，不可超逾其最近期可得資產淨值的10%；
- (f) 基金以資產抵押證券方式持有的投資的價值，不可超逾其最近期可得資產淨值的15%；

- (g) 基金的貨幣風險應獲適當管理，而且應適當地對沖基金內並非以其基本貨幣計值的投資所產生的任何重大貨幣風險；
- (h) 基金的最近期可得資產淨值必須有至少**7.5%**屬每日流動資產，及至少**15%**屬每周流動資產。就本段而言：
 - (i) 每日流動資產指(i)現金；(ii)可在一個營業日內轉換為現金的金融工具或證券（不論是因為到期還是透過行使要求即付的條款）；及(iii)可在出售投資組合的證券後一個營業日內無條件收取及到期的款額；及
 - (ii) 每周流動資產指(i)現金；(ii)可在五個營業日內轉換為現金的金融工具或證券（不論是因為到期還是透過行使要求即付的條款）；及(iii)可在出售投資組合的證券後五個營業日內無條件收取及到期的款額。
- (i) 基金的最高借款不得超逾其最近期可得資產淨值的**10%**。
- (j) 基金可為對沖目的取得金融衍生工具。
- (k) 基金亦可按照其投資目標及政策為非對沖目的而取得金融衍生工具，但與該等金融衍生工具有關的風險承擔淨額（「**衍生工具風險承擔淨額**」）不得超逾基金的最近期可得資產淨值的**50%**，惟在證監會不時發佈的該守則、手冊、守則及／或指引所准許的情況下或在證監會不時准許的情況下，該限額可能被超逾。

衍生工具風險承擔淨額應根據該守則及證監會發出的規定和指引（可不時予以更新）計算出來。在計算衍生工具風險承擔淨額時，須將為投資目的而取得及會在基金的投資組合層面產生遞增槓桿效應的衍生工具換算成其相關資產的對應持倉。為免生疑問，為對沖目的而取得的金融衍生工具若不會產生任何剩餘的衍生工具風險承擔，該等工具的衍生工具風險承擔將不會計入**50%**限額。